



Investigating the Leadership Pipeline

Selection and Development
Implications

The Genesis for this Panel

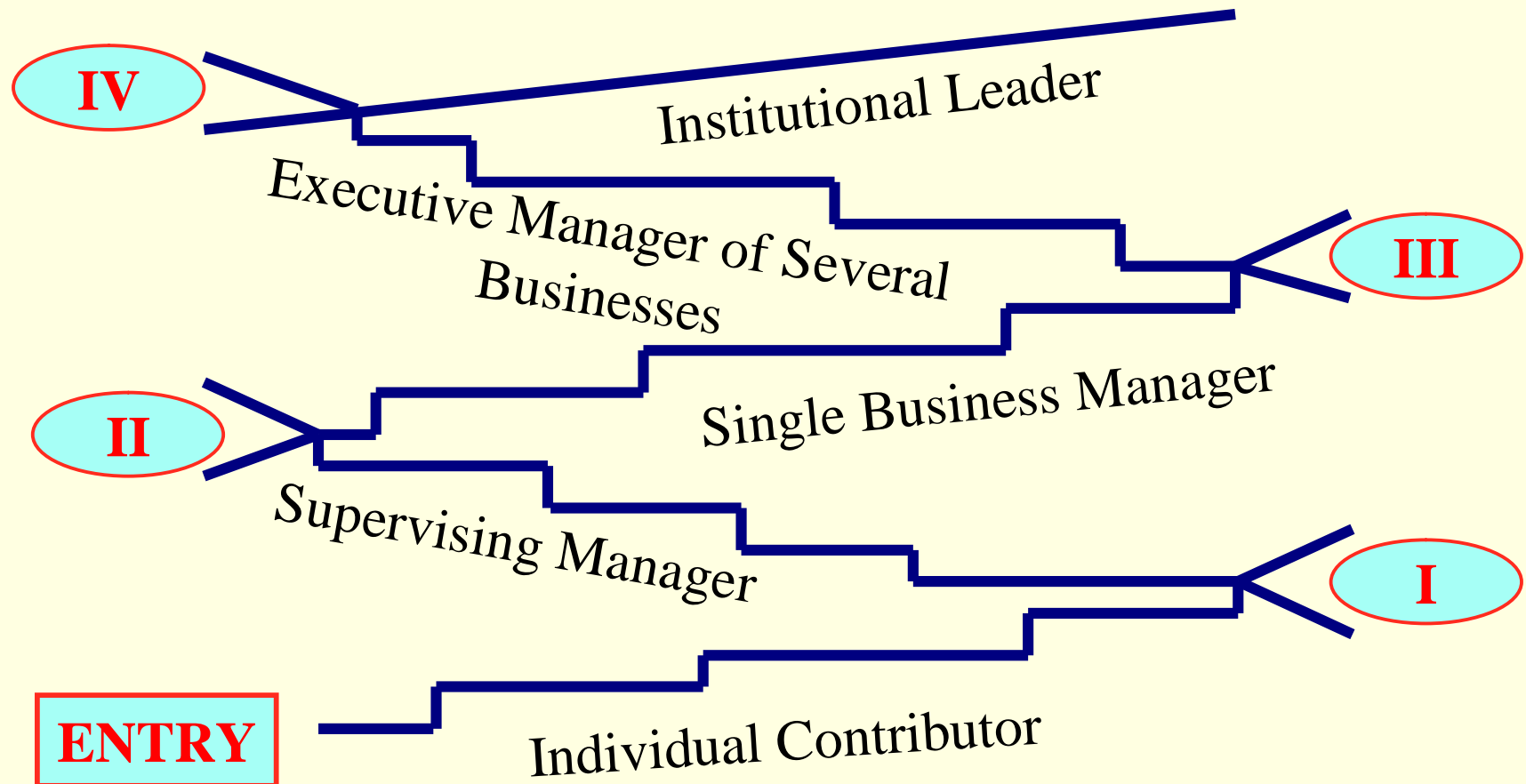
SIOP 2004



Genealogy of the Leadership Pipeline

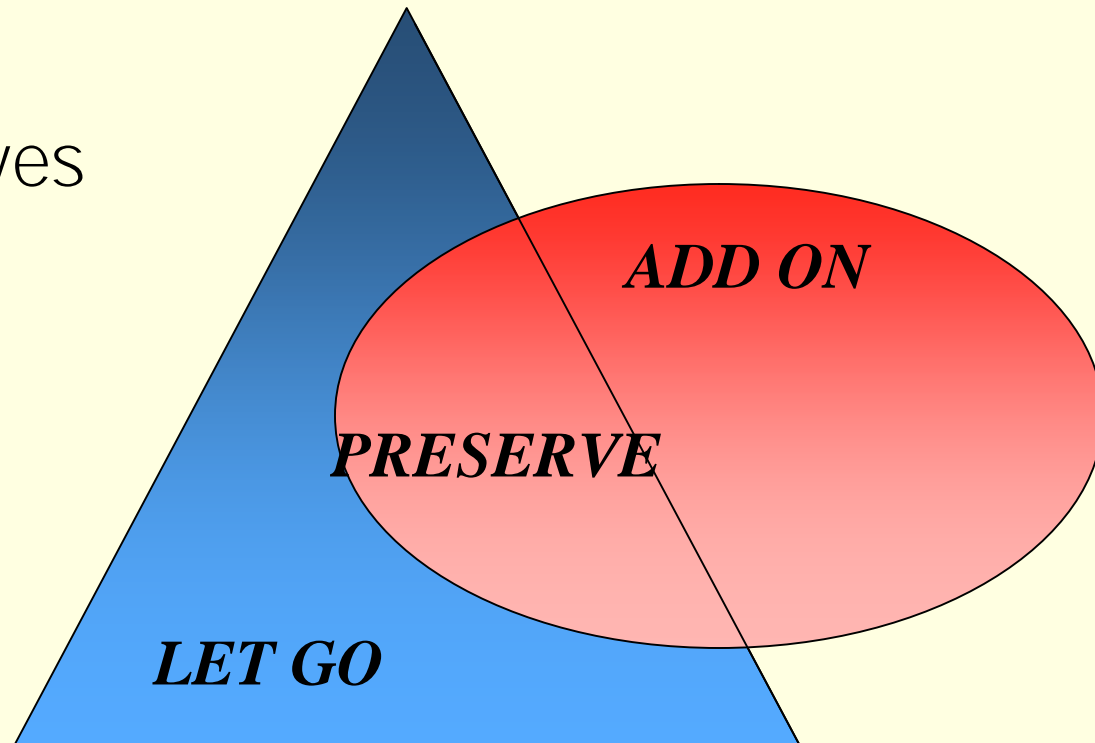
- n Mahler, W. & Wrightnour, W. (1973). *Executive continuity: how to build and retain an effective management team*. Homewood, IL: Dow Jones-Irwin
- n Freedman, A.M. (1998). Pathways and crossroads to institutional leadership. *Consulting Psychology J.*, 50, 3, 131-151.
(Freedman, A.M. (2005). *Swimming Upstream*. In Robert Kaiser (Ed.) *Filling the leadership pipeline*. Greensboro, NC: CCL Press)
- n Charan, R., Drotter, S., & Noel, J. (2001). *The leadership pipeline: how to build the leadership-powered company*. San Francisco: Jossey-Bass.

The Five Pathways and Four Crossroads



At Each Crossroad...

- Perspectives
- Priorities
- Beliefs
- Attitudes
- Practices
- Routines



The Transformation Trilogy

(Freedman, 1998)

Significant Implications

- n What gets you there won't keep you there!
- n Pipeline transitions or “crossroads” represent the largest threats for derailment or plateauing.
- n “One size fits all” competency models aren't sufficient.
- n Leadership development programming must focus more attention on the transitions – letting go as well as preserving and adding on.

An Academic-Practitioner Collaborative Forum

- n Bart Craig & Rob Kaiser – North Carolina State University and Kaplan DeVries
- n Bob Lewis – Personnel Decisions International
- n David V. Day & Patricia O'Connor – Penn State and The Center for Creative Leadership
- n John Fulkerson – Fulkerson & Associates

Common Points of Inquiry

- n Does research data substantiate the pipeline model?
- n How universal are the pipeline concepts?
 - ∅ Global/cultural
 - ∅ Job types/functions, industries,
 - ∅ Organizational structure – flat, matrixed, mission-based
- n What happens when people jump from one pipeline to another, in another industry?
- n What is the evidence that most career derailment or plateauing occurs at the pipeline transition points and that these failures are based upon the preserve, retain, let go model?

It Takes All Kinds: Types of Leaders at the Bottom, Middle, and Top

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KAPLAN DEVRIES INC.

Robert B. Kaiser

KAPLAN DEVRIES INC.

In H.S. Leonard (chair) *Investigating the Leadership Pipeline: Selection and Development Implications*. Academic-Practitioner Collaborative Forum presented at the annual conference of the Society for Industrial and Organizational Psychology in Dallas, Texas. May 5, 2006.

Background

- ▶ Escalating war for managerial talent has increased interest in developing leaders internally
- ▶ Developing leaders internally means understanding the leadership pipeline—how demands change across organizational levels

Frameworks for Distinguishing Organizational Levels

- ▶ Organizational responsibilities
(*Leadership Pipeline*, 2001; Freedman, 1998)
- ▶ Application of structure (Katz & Kahn, 1978)
- ▶ Stratified Systems Theory
(Jacobs & Jaques, 1987)
- ▶ Differing skill requirements
(Katz, 1955; Mann, 1965)

Three Levels

	Responsibility	Functional Activities	Time Horizon	Primary Skills
Supervisors	Group or team within one function	Application of structure	Weeks to 2 years	Technical
Middle Managers	Multiple functional units	Interpretation of structure	2 – 5 years	Interpersonal
Executives	Multi-business organization	Creation of structure	10+ years	Conceptual

Kaiser & Craig, 2004

	Supervisor <i>b</i>	Middle Manager <i>b</i>	Executive <i>b</i>
<i>Learning Orientation</i>	+.291***	+.193***	+.499***
<i>Work-Life Balance</i>	+.204***	+.015	-.195***
<i>Decisive, Action Orientation</i>	+.119	+.207***	-.188***
<i>Empowerment</i>	-.142	-.118***	+.214***
<i>Interpersonal Warmth</i>	-.335**	+.170***	+.052
<i>Abrasiveness</i>	-.518***	-.215***	+.026
<i>Lack of Follow Through</i>	+.124	+.064*	-.171***
<i>model R²</i>	.237***	.245***	.388***

Research Questions

- ▶ What types of managers actually exist at each level?
- ▶ Does performance of types vary as predicted by previous study?
- ▶ What do type frequencies tell us about natural selection in the leadership pipeline?

Sample & Instrument

- ▶ Archival database of *Benchmarks*[®] ratings
- ▶ Empirically derived 7-factor structure
 - § Learning Orientation, Work-Life Balance, Decisive/Task Orientation, Empowerment, Interpersonal Warmth, Abrasiveness, Lack of Follow-through
- ▶ Excluded managers that couldn't be confidently coded as 1 of the 3 primary organizational levels
- ▶ $N = 2175$
 - § 225 first-level supervisors
 - § 1457 middle managers
 - § 493 executives
- ▶ Average of subordinate ratings used to define profile

Frequencies of Predicted "Ideal" Profiles

	Ideal Supervisors	Ideal Middle Managers	Ideal Executives
Supervisory Level	3%	.5%	.5%
Middle Level	2%	.4%	.8%
Executive Level	3%	4%	2%

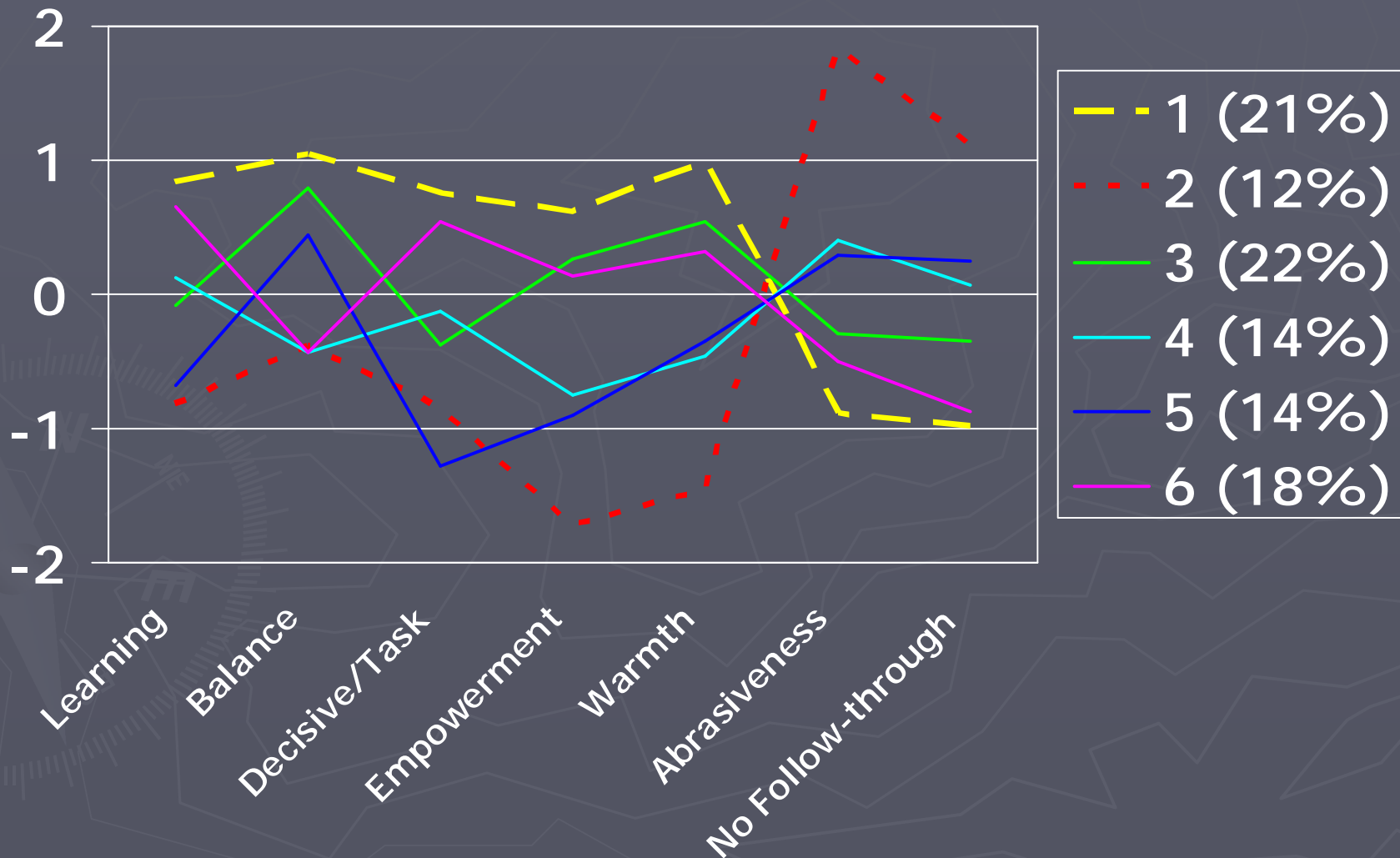
Cluster Analysis

- ▶ Outliers removed
(11 bottom / 19 middle / 23 top)
- ▶ Two-stage cluster analysis done separately for each organizational level
 - § Hierarchical agglomerative (Ward, 1963)
 - ▶ Average squared Euclidean distance
 - ▶ Standardized scores
 - § Iterative partitioning ("k-means")
 - ▶ Stabilizes solution by re-evaluating each case

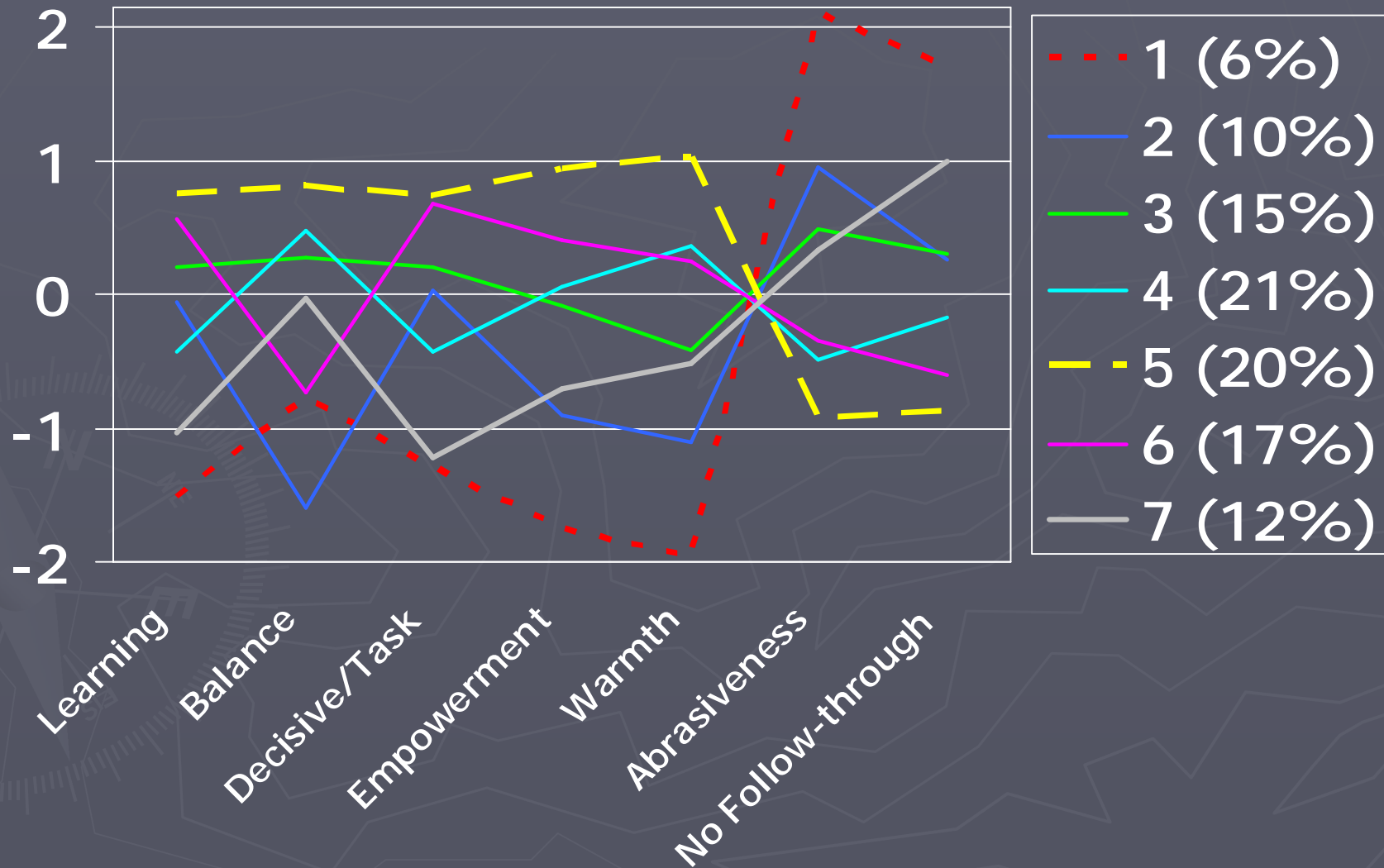
Cluster Results

- ▶ 6 types of First-line Supervisors
- ▶ 7 types of Middle Managers
- ▶ 6 types of Executives
- ▶ Cluster membership accounted for
 - § 9% / 17% / 22% (bottom/middle/top) of boss-rated performance
 - § and 65% / 60% / 63% of subordinate-rated performance

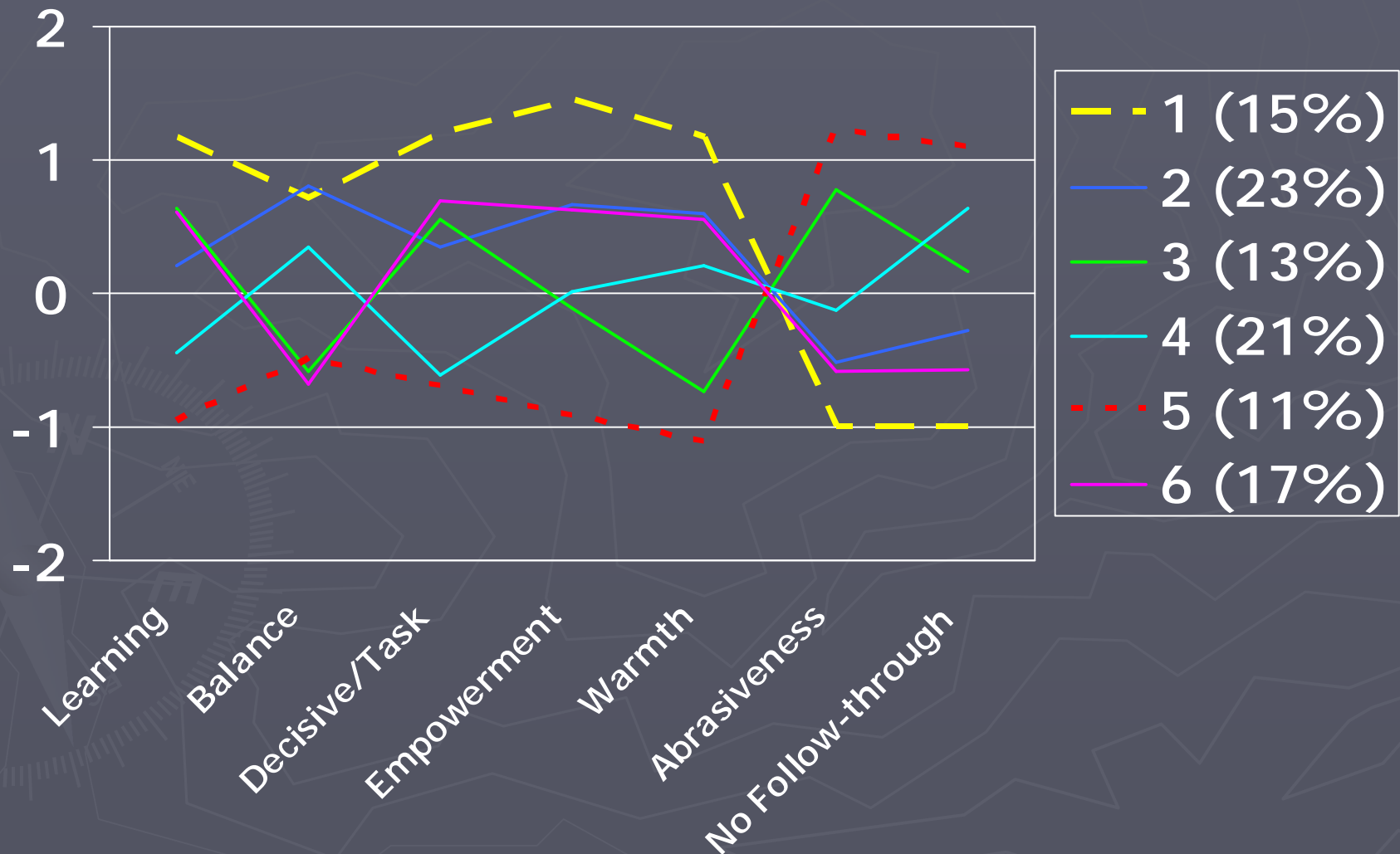
First-line Supervisor Types



Middle Manager Types



Executive Types



Some Observations...

- ▶ “Ideal” profile did not emerge as a cluster at any level
- ▶ Highest and lowest performing types were fairly similar across levels—and dissimilar to predictions from variable-oriented analysis
 - § Also similar: 3/4/4, 6/6/6
- ▶ Some clusters emerged only at certain levels (e.g., 1-4)
- ▶ Some types have similar shape but different levels (e.g., 1-4 and 2-3)

Limitations & Future Research

- ▶ Factor-analytically derived measures not targeted to level-specific constructs
- ▶ Use of a shape-only similarity index might produce different results
- ▶ Need longitudinal study to address adaptation-selection question



Validating the Leadership Pipeline

A Replication and Extension

Bob Lewis

Session 66, SIOP 2006



Effectiveness Across the Hierarchy

- u Kaiser and Craig (2004) examined how behaviors that lead to effectiveness change across managerial levels.
- u Found significant main effects for organizational level and behavioral dimensions plus incremental variance for level by behavior interactions

Dimension	Manager β	Executive β
Empowerment	-.118	.214
Decisive	.207	-.188

Implications of Kaiser and Craig (2004)

- u Behaviors associated with the effectiveness of supervisors, managers, and executives differ.
- u These differences are discontinuous, suggesting qualitative differences.
- u Behaviors related to personal characteristics—learning orientation and adaptability—seem important for all levels

Replication and Extension

- u This study uses a global sample to determine if the results of Kaiser and Craig can be replicated and extended to other global regions.
- u Hypotheses
 - n Will replicate Kaiser and Craig in North American sample
 - n Non-Japanese Asians will place greater relative value on Interpersonal and Adaptability dimensions
 - n Europeans and North Americans will value dimensions in roughly the same manner.

Behaviors at Pipeline Levels

u Methodology

- n Compare boss ratings of performance and potential with direct report ratings of behaviors drawn from a developmentally-oriented multi-rater tool
- n 3 levels: First Line Manager, Mid-level Manager and Executive Manager, all of whom took the same multi-rater tool
- n 3 regions: Asia (not including Japan), Europe, North America
- n Employed hierarchical regression

Predictors

- Behavioral ratings collapsed into 8 factors consistent with the instrument and meta-analytic assessment center research (Arthur, Day, McNelly & Edens, 2003):

Thinking

Communication

Management

Motivation

Leadership

Self Management

Interpersonal

Org. Knowledge

- Managerial Level and Region

Results of Behavior Analysis

- u Hierarchical regression with coded vectors for interaction terms
- u Significant multiple R's
 - n 5-item overall performance $R = .33$
 - n One-item Competence $R = .31$
 - n One-item Potential $R = .42$
- u Multicollinearity among predictors makes interpretation of regression coefficients difficult.

Relative Weights Results

	5 - item perf.	Competence	Potential
Region	<1	<1	2
Level	1	<1	63
Thinking	15	17	6
Management	13	11	3
Leadership	10	9	3
Interpersonal	6	7	2
Communication	6	6	12
Motivation	30	28	2
Self Mgmt	8	8	4
Org Know	11	14	4

All numbers rounded

Summary

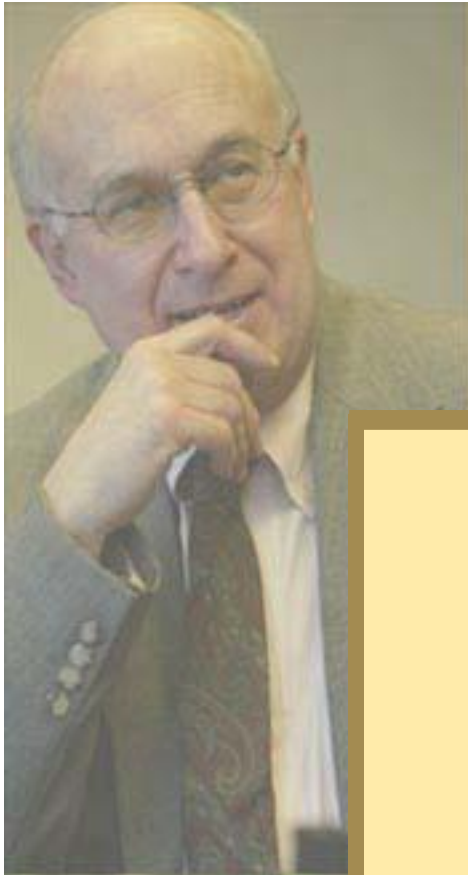
- u The behaviors related to effectiveness rated in this study do not vary by managerial level or region of the world.
 - n Did not replicate Kaiser and Craig
- u Boss ratings of performance/competence are associated mainly with subordinate ratings of motivation.
 - n Persist in the face of obstacles.
 - n Seek out new work challenges.

Summary of Pipeline Behavioral Analysis

- u ...and are non-trivially associated with ratings of thinking, management, and leadership skills.
- u Boss ratings of potential are associated mainly with managerial level.
- u The multi-rater, due to its behavioral nature, is more task than contextually focused.

Limits of this Study

- u Participants using this multi-rater tool are encouraged to match the tool to the job. “Managerial level” then may mask differences.
- u Multicollinearity among the dimensions makes it difficult to assess the contribution of interactions.
- u Investigated only subordinate ratings of behaviors, not peers or other perspectives.



Thank You



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Letting Go to Develop: Theoretical and Practical Perspectives

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Letting Go to Develop

- n Career crossroads and developmental challenges
 - n What to:
 - n Add on (increase and enhance competencies)
 - n Maintain (keep doing)
 - n Let go (stop doing)
- n Lifespan development
 - n No gains without loss, no loss without gains
 - n Successful aging
 - n Selection
 - n Optimization
 - n Compensation

Letting Go to Develop

n Selection

- n Narrowing from many possible goal domains
- n Ex: Choosing to focus on a few key goals rather than many goals all of equal priority

n Optimization

- n Enhancement of existing goal-directed means
- n Ex: Enhance key skills through focused practice

n Compensation

- n Acquisition of new goal-directed means in the face of loss
- n Ex: Relying on external support for help in reaching goals

Baltes, P. B. (1997). On the incomplete architecture of human ontogeny: Selection, optimization, and compensation as foundation of developmental theory. *American Psychologist*, 52, 366-380.

Interview Pilot Study

n Managing Challenging Career Transitions

n Evidence from S-O-C

n Selection

n From being recognized/admired as an expert to making a positive & meaningful difference

n Optimization

n Listening intently to others to gather important data rather than making decisions solely on what I know or believe

n Compensation

n From doing it all myself to asking for and using support systems

Interview Pilot Study

- n Lesson #1: The pipeline is not always predictable for leaders or organizations.
 - n Career opportunities can take one completely out of one's functional domain
 - n Talent opportunities can take organizations away from their selection, retention, and development strategies
- n Lesson #2: Letting go often means changes in identity.
 - n To stop using technical skills means to stop being who I used to be (and who made me successful)
 - n To stop being a member of this organization means to stop having a recognized place to be associated

Interview Pilot Study

- n Lesson #3: Balance is a myth.
 - n The higher and more visible the position...
 - n Or the more service-oriented the position (consulting, coaching, advising)...
 - n the lower the likelihood that work-life balance is possible.
- n Lesson #4: What matters changes.
 - n Achievement without meaning is ultimately unfulfilling.

Letting Go of the “5As”

- n Society puts great emphasis on:
 - n Achievement (standing out)
 - n Appearance (looking good & dressing the part)
 - n Affluence (having wealth)
 - n Authority (displaying clout and control)
 - n Admiration (being liked, popular, accepted)
- n Letting go of these needs may be the most important lesson for development.

Investigating the Leadership Pipeline: Selection & Development Implications

A Practitioner's Perspective

SIOP: 21st. Annual Convention

Friday, May 5, 2005

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The Leadership Pipeline: A Practitioner's Perspective

I 5 Points:

- | A Practitioner's Perspective with a global twist.
- | Differing Definitions.
- | Data from Lombardo / Lominger.
- | What's missing?
 - | Are we asking the wrong question(s)?
- | A Cross Cultural Perspective.
- | Closing / Summary Thoughts

- | Data and anecdotes from Lominger, Ltd., 4 Global Organizations, and Fons Trompenaars.

The Leadership Pipeline: A Practitioner's Perspective

- | **A Practitioner's Perspective:**
 - | **Are the findings valid?**
 - | **Is there a Leadership Pipeline?**
 - | **For Organizations?**
 - | **For Individual Executives?**
 - | **Can the findings be used to address leadership pipeline issues?**
 - | **Can the findings be translated into “senior executive speak?”**
 - | **Can the findings be turned into specific action steps?**

The Leadership Pipeline: A Practitioner's Perspective

- | **“Pathways and Crossroads” Freedman 1998**
 - | 5 Pathways.
 - | 4 Crossroads.

- | **The Leadership Pipeline: Charan-Drotter-Noel 2001**
 - | 7 managerial / leadership levels.
 - | 6 passages.

- | **High Flyers: McCall 1998**
 - | Producing the “Right Stuff” is a function of:
 - | Linkage to the business strategy.
 - | Selecting great talent.
 - | Giving people the right experiences.
 - | A formal movement process (succession planning).
 - | Catalysts (e.g. 360's, coaching, self driven development, etc.).

- | **Developing Global Executives: McCall & Hollenbeck 2002**
 - | What Being Global Means.
 - | The Lessons of Global Experience.
 - | The Impact of Differing Cultures.

The Leadership Pipeline: A Practitioner's Perspective

I Data from Mike Lombardo: 10 Highest Correlations with Performance - Career Flow Research ©...(2005)

Individual Contributor

- Action Oriented
- Creativity
- Decision Quality
- Functional/Tech Skills
- Informing
- Intellectual Horsepower
- Interpersonal Savvy
- Learning on the Fly
- Motivating Others
- Organizing

Manager

- Action Oriented
- Comfort Around Higher Mgt.
- Command Skills
- Conflict Mgt.
- Creativity
- Customer Focus
- Timely Decision Making
- Decision Quality
- Functional/Tech Skills
- Integrity & Trust

Executive

- Dealing with Ambiguity
- Business Acumen
- Comfort Around Higher Mgt.
- Command Skills
- Creativity
- Customer Focus
- Decision Quality
- Functional/Tech Skills
- Innovation Management
- Intellectual Horsepower

The Leadership Pipeline: A Practitioner's Perspective

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The Leadership Pipeline: A Practitioner's Perspective

I Data from Mike Lombardo: Flame-Out Factors - Career Flow Research ©... (2005)

Individual Contributor

-Performance Problems

Manager

-Poor Administrator

-Blocked Personal Learner

-Defensiveness

-Lack Ethics & Values

-Political Missteps

-Key Skill Deficiencies

-Betrayal of Trust

-Failure to Build a Team

-Insensitive to Others

Executive

-Poor Administrator

-Blocked Personal Learner

-Defensiveness

-Lack Ethics & Values

-Political Missteps

-Key Skill Deficiencies

-Unable to Adjust to Differences

-Failure to Staff Effectively

-Non-strategic

-Overdependence on Single Skill

-Performance Problems

The Leadership Pipeline: A Practitioner's Perspective

I Data from Mike Lombardo: Flame-Out Factors - Career Flow Research ©... (2005)

Individual Contributor

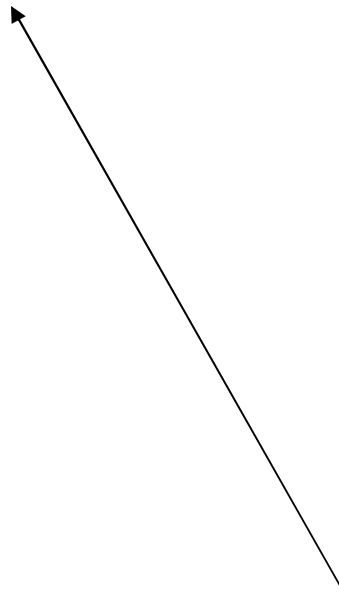
-Performance Problems

Manager

-Poor Administrator ↔ -Poor Administrator
-Blocked Personal Learner ↔ -Blocked Personal Learner
-Defensiveness ↔ -Defensiveness
-Lack Ethics & Values ↔ -Lack Ethics & Values
-Political Missteps ↔ -Political Missteps
-Key Skill Deficiencies ↔ -Key Skill Deficiencies

Executive

-Betrayal of Trust
-Failure to Build a Team
-Insensitive to Others
-Unable to Adjust to Differences
-Failure to Staff Effectively
-Non-strategic
-Overdependence on Single Skill
-Performance Problems



The Leadership Pipeline: A Practitioner's Perspective

I Data from Mike Lombardo: Most Likely Weaknesses - Career Flow Research ©... (2005)

<u>Competency</u>	<u>Individual Contrib.</u>	<u>Mgr.</u>	<u>Exec.</u>
-Motivating Others	X	-	X
-Manage Vision / Purpose	X	-	X
-Dealing with Ambiguity	-	X	X
-Creativity	-	X	X

The Leadership Pipeline: A Practitioner's Perspective

- | So, Is there are Leadership Pipeline?
 - | **Yes, but...it is not simple and it is to our practitioner's advantage to go beyond competencies and stages of development.**
 - | **In the practitioner's jargon, "what is the next move for an individual executive?"**.

The Leadership Pipeline: A Practitioner's Perspective

- | **What's Missing & Are We Asking the Wrong Question?**
 - | **What's the context?**
 - | **Business requirements / demands?**
 - | **What skills at what transition points?**

The Leadership Pipeline: A Practitioner's Perspective

I From a Business Context?

I Critical Experiences...

I Running a business...

- I Large, small, grow it, set strategy, drive the P&L, etc.

I Type of Market...

- I Developed, developing, multi-country portfolio, etc.

I Product Specifics...

- I Consumer, package goods, capital goods, electronics, etc.

I Going to Market System...

- I Direct Distribution, wholesalers, franchise, etc.

The Leadership Pipeline: A Practitioner's Perspective

- | **From a Business Context? (cont.)**
 - | **Critical Experiences...(cont.)**
 - | **Amount of Change Required...**
 - | Start-up, fix-it, M&A, etc.
 - | **Moving Across Boundaries...**
 - | Cross-functional assignment, line-staff, new line of business, etc.
 - | **Specific Functional Skills...**
 - | Manufacturing, finance, sales, marketing, etc.

The Leadership Pipeline: A Practitioner's Perspective

I Cross Cultural Perspective:

- I Different skills, different transitions / levels across different cultures?**
- I 1st time transitions to a different culture are always a challenge.**
- I A very complex question...**
 - I E.g. ethics and business practices...**

The Leadership Pipeline: A Practitioner's Perspective

- | **Recent literature review suggests there are some principle cultural aptitude traits...at all levels.**
 - | **Empathy**
 - | **Flexibility**
 - | **Open-mindedness**
 - | **Tolerance**
 - | **Respect**
 - | **Extroversion / Sociability**
 - | **Self-confidence**
 - | **Self-efficacy**
 - | **Initiative**

 - | **It's not bad...it's just different...**

The Leadership Pipeline: A Practitioner's Perspective

■ **Cross Cultural Perspective:**

■ **Trompenaars (7 Major Dimensions):**

- **Individualistic vs. Collective Cultures (US & China).**
 - The levels of acceptable individualistic behavior may change with levels.

- **Ascriptive vs. Achievement Driven Cultures (US & China).**
 - The more senior a person is, the more important trusted relationships may become.

- **Adds, let go's, and retains...**

The Leadership Pipeline: A Practitioner's Perspective

I **Cross Cultural Perspective:**

- | **The mental maps of a culture.**
- | **The behavioral nature (social practices) of the “new” culture.**
- | **Government systems.**
- | **Laws.**
- | **Business Practices.**

The Leadership Pipeline: A Practitioner's Perspective

- | **Practitioner's Perspective: Selection and Development Implications.**
 - | There is a pipeline.
 - | The pipeline should include more than “add on / letting go / preserving.”
 - | The pipeline must include:
 - | Levels.
 - | Business Context.
 - | Culture (in all its manifestations) for global executives.

The Leadership Pipeline: A Practitioner's Perspective

- | **Practitioner's Perspective: Selection and Development Implications.**
 - | **Selection.**
 - | The traditional considerations with particular emphasis on Learning Agility / Flexibility.
 - | **Development.**
 - | Constant stretching across boundaries of level, business, and culture. (smaller to bigger to more complex)
 - | Reflection on what was lost, gained, and retained.
 - | Reflection on what is needed...next.